

PRE-APPEAL BRIEF REQUEST FOR REVIEW

In response to the Final Office Action dated April 27, 2009, rejecting claims 40 – 42, 55, 56, 58, 59, 61 – 69 and 71, and to the Advisory Action of August 14, 2009, maintaining the rejections, Applicants request a Pre-Appeal Brief Review of the case pursuant to the USPTO's pilot program. See 1296 Off. Gaz. Pat. Office 67. The Advisory Action referred to paper numbers 20090416 and 20050419. Since no communication was mailed on either April 16, 2009 or April 19, 2005, Applicants assume that the Examiner refers to the Final Office Action dated April 27, 2009.

I. Grounds of Rejection to be Reviewed

1. Whether claims 40 – 42, 55, and 56 are obvious in view of U.S. Patent No. 5,243,331 (“ McCausland”) and U.S. Patent No. 5,915,209 (“Lawrence”) to U.S. Patent No. 5,809,483 (“Broka”).
2. Whether claims 61 – 69 and 71 are obvious in view of McCausland and Lawrence to U.S. Patent No. 7,231,363 (“Hughes”).
3. Whether claims 58 and 59 are obvious in view of McCausland to U.S. Patent No. 6,343,278 (“Jain”).

II. Argument

A. Claims 40 – 42, 55, and 56 are not obvious in view of McCausland and Lawrence to Broka.

Claim 40 recites in combination with other elements:

“matching by the trading platform the received trading orders using a price/time priority in combination with at least one of predetermined order conditions comprising at least one of:

- a “Fill or Kill” order condition by immediately filling the order in its entirety or by canceling the order when the order is not immediately filled;
- an “All or None” order condition by filling the entire quantity of the order;
- a “Minimum Fill” order condition by initially filling a first quantity and wherein the remaining balance has no conditions unless specified;
- a “Lots Of” order condition by setting a condition of minimum execution in lots;
- a “Show Only” order condition by managing the display of quantity;
- a “Good Until a time of day” order condition by setting the time of order expiration in terms of a time of day;
- a “Good For a period of time” order condition by setting the time of order expiration in terms of hours and minutes; and

a “Quantity” order condition by including the remaining quantity.”

Claim 40 significantly recites, in combination with other elements, “matching by the trading platform the received trading orders using *a price/time priority in combination with at least one of predetermined order conditions* comprising at least one of [the predetermined conditions cited in claim 40].”

McCausland fails to teach matching by the trading platform the received trading orders using a price/time priority in combination with at least one of predetermined order conditions comprising at least one of: [the predetermined conditions cited in claim 40].

The predetermined conditions of Applicants’ invention are in combination with and different from the price/time priority limitation. The Examiner’s reference to McCausland Col. 2, lines 5-65 and Col. 22 line 40 through Col. 23, line 30 as teaching matching the received trading orders using a price/time priority in combination with at least one of predetermined order conditions is incorrect.

McCausland merely teaches four action keys with default rules that apply when the action keys are pressed. In McCausland, “[t]he following default rules apply when keys 226 [Take], 228 [Offer], 230 [Hit] or 232 [Bid] are pressed:

1. Hit or Take entries automatically default to both size and price as displayed.
2. Bid or Offer entries automatically default to a minimum trading size. This is \$5 million for bills, and \$1 million for coupons.” Col. 22, line 67 to Col. 23, line 5.

The Hit or Take rule (1) specifies that the execution of the trade is performed using price and time priority. The Bid or Offer rule (2) is used to merely formulate the trading order. They are not used to impose any predetermined conditions that the order is matched against. Specifically, this rule specifies the minimum bid/order submitted by the trader. In contrast, Claim 40 discloses matching of received trading orders using price/time priority **in combination with predetermined order conditions**. The Office Action has failed to show that McCausland performs matching of the received trading orders using price/time priority **in combination with predetermined order conditions**.

Neither Lawrence nor Broka make up for the deficiencies of McCausland. Lawrence, is concerned with providing a municipal bond trading system to provide “the capability to conduct a private electronic auction of bid wanteds between a central market-maker and multiple remote clients who are respective bidders” (Col. 3, lines 36-40). **Nothing in Lawrence suggests “matching by the trading platform the received trading orders**

using a price/time priority in combination with at least one of predetermined order conditions comprising at least one of [the predetermined conditions cited in claim 40].”

Broka relates to a bond system developed to gather quote and trade information from bond traders and other users and to organize and disseminate such information. **Nothing in Broka suggests “matching by the trading platform the received trading orders using a price/time priority in combination with at least one of predetermined order conditions comprising at least one of [the predetermined conditions cited in claim 40].”**

Accordingly, for the reasons given above, independent claim 40 and corresponding dependent claims 41 – 42, 55, and 56 are not obvious in view of McCausland, Lawrence, and Broka. Applicants respectfully request this rejection be withdrawn.

B. **Claims 61 – 69 and 71 are not obvious in view of McCausland and Lawrence to Hughes**

Independent claims 61 and 71 recite similar limitations to that in claim 40, and are not obvious in view of McCausland and Lawrence for the same reasons as given above.

Additionally, claim 61 is directed to a computer-based **dealer-to-dealer** trading method, and recites, among others, “displaying anonymously to a plurality of **buyer dealers** sell orders comprising different types of bond instruments offers for sale for different types of bond instruments,” “enabling the plurality of **buyer dealers** to anonymously perform a query for different types of bond instruments,” and “enabling the plurality of **buyer dealers** to anonymously submit buy orders and to buy at least one of the different types of bond instruments.”

Claim 71 is directed to a computer-based **client-to-dealer** trading method, and recites, among others, “displaying anonymously to a plurality of **clients** buy orders comprising different types of bond instruments offers for purchase for different types of bond instruments by a plurality of buyer dealers,” “enabling the plurality of **clients** to anonymously perform a query for different types of bond instruments,” and “enabling the plurality of **clients** to anonymously submit sell orders and to sell at least one of the different types of bond instruments.” Hughes does not make up for the deficiencies of McCausland or the combination of McCausland and Lawrence. Hughes relates to trading methods that use broker dealers as intermediaries. **Nothing in Hughes suggests “matching by the trading platform the received trading orders using a price/time priority in combination with at**

least one of predetermined order conditions comprising at least one of [the predetermined conditions cited in claim 71]. Hughes merely allows broker dealers to receive orders relating to particular transactions and have the option to accept the order by submitting a matching counter order, or to rebroker the order to a number of other investors or additional broker dealers.

Accordingly, corresponding dependent claims 62-69 are not obvious in view of McCausland, Lawrence, and Hughes, for the reasons given above with respect to claim 61 and 71, as well as additional limitations recited in combination in each dependent claim, when interpreted as a whole.

For example, claim 67 discloses “said predetermined order conditions preventing a match include at least one of a “Quantity” greater than \$100,000 order condition; [list of condition combinations cited in claim 67].” The Examiner points to Hughes as teaching this limitation. Applicants respectfully disagree. **Nothing in Hughes suggests “said predetermined order conditions preventing a match include at least one of [the specific condition or condition combinations recited in claim 67]”**. Hughes teaches “when an order is sent to a company, that company's rules are processed. All the active rules are processed in order of precedence. The process stops when all the conditions of a rule are satisfied. A rule need not have any conditions, in which case it is always satisfied by any order. When used, conditions in rules are expressed in the form of field names, operators and values. In one embodiment, the possible operators are: Equal, Different, Less Than, Less Or Equal Than, Greater Than, Greater or Equal Than, Between, In Set, Not In Set, Contains and Starts With.” (Col. 22, lines 6 – 23).

Additionally, claims 68 and 69 disclose the limitations of “a locked or crossed market [which] can be unlocked or uncrossed by at least one of the plurality of buyer dealers or by at least one of the plurality of seller dealers entering an order with a better price than the displayed order locking or crossing the market,” and “a locked or crossed market [which] can be unlocked or uncrossed without causing a trade to occur.” The Examiner points to Hughes as teaching this limitation. Applicants respectfully disagree. **Nothing in Hughes suggests “a locked or crossed market can be unlocked or uncrossed by at least one of the plurality of buyer dealers or by at least one of the plurality of seller dealers entering an order with a better price than the displayed order locking or crossing the market,” and “a locked or crossed market can be unlocked or uncrossed without causing a trade to**

occur.” Hughes merely teaches “[f]urther embodiments provide for orders to be based not only on price but on spread. Spread in the bond market is understood as yield spread to a reference security … The yield spread allows the two parties …to negotiate a trade without having to change prices each time the market goes up or down, but rather to agree on the spread, the reference instrument, and the yield at the time of the trade. The price can then be calculated based on this yield as understood by those skilled in the art.” (Col. 16, lines 50 – 62).

Therefore, Applicants respectfully request this rejection be withdrawn.

C. Claims 58 and 59 are not obvious in view of McCausland and Jain

Independent claim 58 recites similar limitations to that in claim 40, and is not obvious in view of McCausland for same reasons as given above. Additionally, claim 58 recites, among others, “enabling a seller to anonymously submit a sell order for a bond instrument over a computer network to potential traders of bond instruments comprising at least one buyer” and “enabling a buyer to anonymously submit a buy order for the bond instrument over a computer network wherein the seller can control the amount of the order that is disclosed to the potential traders.”

Jain does not make up for the deficiencies of McCausland. Jain relates to “a computerized system for coordinated trading of multiple instruments such as different tenors of forward rate agreements for the same currency.” (Col. 1, lines 15 – 17). **Nothing in Jain** suggests “**matching by the trading platform the received trading orders using a price/time priority in combination with at least one of predetermined order conditions comprising at least one of [the predetermined conditions cited in claim 58].**” Jain merely performs a compatibility determination between newly submitted sell and offer orders against outstanding bid orders, and compatible orders are considered in price/time order.

Accordingly, corresponding dependent claim 59 is not obvious in view of McCausland and Jain, for the reasons given above with respect to claim 58, as well as additional limitation recited in combination when interpreted as a whole. For example, claim 59 discloses “said controller forwards all trading orders authorized for broadcast without disclosing an identity of each seller or buyer associated with each trading order being broadcast.”

Therefore, Applicants respectfully request this rejection be withdrawn.